

OP-EDS

# SMALL BUSINESS VERSUS THE STATE

APRIL 18, 2020 | JOEL SCHLOSBERG | [LEAVE A COMMENT](#)



*“What are you going to do about it?” cartoon by Joseph Keppler (Puck magazine, 1881).*

On April 18, the U.S. Small Business Administration’s Paycheck Protection Program lent out the last of \$349 billion it had on hand in emergency funds. Efforts are underway to ensure that those billions will not be the Program’s last.

Meanwhile, others question whether small business should be saved. Paris Marx calls for nationalization of large companies rather than subsidization of smaller ones, asserting that if the handful of the former dominating the tech industry were replaced by the latter, “network effects would simply cause a re-monopolization in the future” (“Build Socialism Through the Post Office,” *Jacobin*, April 15).

However, the billions flowing through the SBA won’t match the trillions in bailout money for big business — or the indirect benefits to the latter that go unseen.

A decade before the *Wall Street Journal* reported that SBA funds are often “either too late in coming or won’t provide enough cash” for small businesses (“Small Businesses Opt To Close Despite Aid,” April 16), *The Nation*’s Alexander Cockburn noted that “whatever backwash they got from the stimulus often wasn’t readily apparent” in the wake of the 2008 recession. They were being “stomped by regulators and bureaucrats while the big fry get zoning variances and special clause exemptions,” yet “the left disdains them.”

The manifesto of an earlier Marx argued that the support for small business still widespread among socialists at the time amounted “to cramping the modern means of production and of exchange within the framework of the old property relations that have been, and were bound to be, exploded by those means.”

Yet many of the industrial age’s biggest economic changes came from outside the gargantuan organizations that dominated it. Ralph Nader and Mark Green observed that “The firms which introduced stainless steel razor blades (Wilkinson), transistor radios (Sony), photocopying machines (Xerox), and the ‘instant’ photograph (Polaroid) were all small and little known when they made their momentous breakthroughs.”

The economic regulations enacted during America’s Progressive Era were what historian Gabriel Kolko called *The Triumph of Conservatism* rather than of Progressive (or Marxist) values, keeping the biggest competitors on top by shielding them from smaller upstarts. Kolko emphasized how the Federal Meat Inspection Act’s safety regulations went easier on large meatpackers, even if they engaged in riskier practices than smaller ones.

Peter Kropotkin related how the organizers of the English Lifeboat Association, “not being Jacobins, did not turn to the Government” that lacked “the co-operation, the enthusiasm, the local knowledge” of voluntary efforts. Kropotkin’s words inspired modern efforts to help out during emergencies like Occupy Sandy, and heeding them may save the economy of the 2020s.

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## PUBLICATION/CITATION HISTORY

- “Small Business Versus the State,” by Joel Schlosberg, Anchorage, Alaska Press, 04/18/20
- “Small Business Versus the State,” by Joel Schlosberg, River Cities’ Reader [Davenport, Iowa], 04/20/20
- “Small business versus the State,” by Joel Schlosberg, Creston [Iowa] News Advertiser, 04/21/20
- “Small Business Versus the State,” by Joel Schlosberg, Ventura County, California Citizens Journal, 04/23/20